

A group of leading global investors, including the Church Commissioners for England, has developed investor expectations for the banking sector through the Institutional Investors Group on Climate Change (IIGCC), calling on banking firms to set enhanced net zero targets for 2050 or sooner with interim targets to be included, scale up green finance and withdraw from projects that fail to meet Paris Agreement goals.

The investor expectations lay out clear areas for action for banks focused on a public commitment to become net zero by 2050 with explicit interim targets, withdrawal of finance from recipients that show no evidence of transitioning, and the scaling up of green finance. This includes:

- Commitment to becoming net zero by 2050, with a primary focus on ensuring indirect emissions are brought down to net zero by 2050 (scope 3) because the bulk of banks' emissions are associated with financial services, including commercial, project and retail lending; investment banking; securities trading; etc.
- Board accountability for, and variable remuneration aligned with, the delivery of net zero, with financial statements that reflect the low carbon transition.
- Disclosure in accordance with TCFD recommendations, reporting on greenhouse gas emissions associated with financing activities, and the incorporation of material climate risks in published accounts.
- Explicit criteria to be set for withdrawal of financing to misaligned activities that are benchmarked against sector/industry net zero pathways.

**Bess Joffe, Head of Responsible Investment at the Church Commissioners for England:**

"This initiative is an ideal way for investors to partner with banks as we all seek to de-carbonise our activities, in alignment with the Paris Agreement. The investor expectations provide clear guidance to banks as to the steps investors want to see them take to improve their contribution to a net-zero economy and the engagement-focused approach will allow for the best ideas to be tabled. It is imperative that we all work together, collaboratively, to achieve the changes necessary to protect the planet for future generations."

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**Source URL:** <https://www.churchofengland.org/media-and-news/news-releases/church-commissioners-and-other-investors-call-banks-set-enhanced-net>